



Treasury Notes

WISCONSIN OFFICE OF STATE TREASURER
"KEEPING AN EYE ON YOUR MONEY"

Volume 2, Issue 7

July 24, 2012

Prudential Turns \$1.5 Million Over to WI State Treasury

Wisconsin residents who believe they are the beneficiaries of a Prudential Insurance Company policy will be able to search the unclaimed property database and see if they are owed any money. Late last week, Prudential Insurance turned over more than \$1.5 million in one of several payments expected through the end of 2012.

Prudential revamped its unclaimed property reporting practices to better cross-reference its policy database with public death records.

"Prudential is doing the right thing by ensuring those who are owed death benefits receive that cash," State Treasurer Kurt Schuller said.

Prudential is currently cross-referencing millions of names in databases to make sure death benefits are sent to Unclaimed Property Units in California, Colorado, Idaho, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Montana, Nebraska, North Dakota, Oregon, Pennsylvania, South Dakota, Tennessee, Utah, Vermont, Washington and Washington, D.C. as well as Wisconsin.

The Wisconsin State Treasury has received 1078 names from Prudential and we have placed a spreadsheet with those names on our homepage, www.wismissingmoney.com. That spreadsheet will be updated at the same time our database is updated as Prudential continues to send more information to our office. Check www.wismissingmoney.com frequently.

6 Months, \$20 Million Returned

The Office of the State Treasurer returned a record \$20.3 million in unclaimed property in just 6 months! In 2011, the Office of State Treasurer returned nearly \$34 million for the entire year.

"I am thrilled to get this much money back in the hands of those who need it and didn't even know it was missing!" said State Treasurer Kurt Schuller. "We are gaining momentum through our Community Outreach program. You will see us at more County Fairs with the unclaimed property database to see if the State Treasury is holding some of your lost money."

Anyone who stops by the Unclaimed Property Booth at the fairs can search the database for lost money.



State Treasurer Kurt Schuller at the Fond Du Lac Co. Fair!



FAIR SCHEDULE

Washington Co. Fair	July 24-29
Wisconsin State Fair	August 2-12
Winnebago Co. Fair	August 7-12
Dodge Co. Fair	August 15-19
Vernon Co Fair	September 12-16

Treasury Notes

The Economy and You: The Future of the U.S. Economy

As Americans, we have experienced the turmoil of our national economic downturn. Many have felt the effects first-hand of high unemployment and the stagnancy of the economic recovery. This has led many policy makers to believe that we are now experiencing a “new normal” involving the general weakness and malaise of our economy. While I agree that many states are facing difficult fiscal issues, I cannot agree that our current situation will become the “new normal” and there a number of reasons to support this position.

While the economic downturn has affected many states, there are a handful of states that have avoided the downturn and are showing strong growth. Alaska, Montana, North Dakota, Texas, Utah, and Wyoming have had 8% job growth over the past decade, and another 22 states have shown some employment increases as well when compared to 2001.

We must understand that the notion of inevitable slow growth is not the future fate of our nation. The data shows that the U.S. is seeing a strong increase in agricultural and energy production, a rebound in manufacturing, and an unrivaled reign in technological innovation. These factors, along with demographics and foreign investment, are strong indicators that the U.S. is poised to return to its strong position as a world economic powerhouse.

One of our nation’s inherent advantages is that we are a resource rich country. The ability to feed ourselves and much of the world is a critical piece of our competitive advantage in the global economy. Countries with food surpluses like the U.S., Australia, Brazil and Canada have intrinsic advantages that allow these countries to focus their resources on other areas of economic growth instead of having to direct resources to feed their people. I would argue that agricultural self-sufficiency is the most critical component for a strong nation. China may be considered a manufacturing giant but its inability to feed its own people is a critical weakness in its ability to grow.

Another example of how America is a resource rich nation is in the energy sector. In the last half of the 20th century, the United States became a major importer of oil. The continuous and rising costs of oil imports transferred billions (if not trillions) of dollars out of the U.S. economy and did little to encourage jobs in the domestic energy sector. Now because of new and improved technologies (horizontal drilling, fracking, etc.), energy resources have shot through the roof. Oil, gas and coal resources are transforming the U.S into a leading energy producer. In 2011, the U.S. became a net exporter of petroleum products for the first time in 62 years. The boom in the energy sector has been a major part of economic growth in states like North Dakota, Texas and Wyoming.

The recession and the gradual recovery have left some believing that America’s greatest days are over. I do not believe that. The United States has weathered this economic storm and indications that our ability to feed our people and the world, and our new efforts to become more self-sufficient regarding energy will help to strengthen our economic foundation. This will lead to a resurgence of America as the leading global economic power.

We must understand that the notion of inevitable slow growth is not the future fate of our nation. The data shows that the U.S. is seeing a rebound in manufacturing, an unrivaled reign in technological innovation, along with a continuous influx of foreign labor and capital. Add these factors to a strong increase in agricultural and energy production and the U.S. is poised to return stronger than ever.

Over the past 12 years, America has lost nearly a third of its manufacturing workforce, approximately 5.5 million jobs. What one must understand is that the manufacturing sector is fundamentally changing, not dying. Manufacturing is transforming from a low skilled, low tech, labor intensive industries to companies that are technology intensive, high productivity businesses that requires a highly skilled and educated labor force. It is this transformation that is crucial to our nation’s resurgence and continuous innovation.

Manufacturing is important because manufacturing production drives growth in other sectors of the economy. About one in six of all private sector jobs depend on the manufacturing sector. This sector also provides 66% of the funding for private research and development, as well as employing 64% of its scientists and engineers. One more thing to remember, the U.S. remains the largest manufacturer in the world, providing 20% of the world’s value added in manufacturing which is more than China, India, Brazil and Russia combined.

America continues its technical dominance even with criticism of America’s erosion of scientific talent. The computer software industry is a strong example. Of the world’s top software companies, nine out of ten are based in the United States; the German company SAP is the lone exception. Regarding the internet, there are no foreign rivals to companies like Amazon, Apple, Facebook, Google or Microsoft.

What could be argued as one of America’s strongest advantages regarding long term economic strength is immigration. Demographic data shows that the stagnation in population growth in developed economies will lead to slower growth, even decline. Between 2000 and 2050, the U.S. workforce is projected to increase by 37% while that of China will drop by 10%, the European Union will decrease by 21%, and Japan’s

CONTINUED ON PAGE 4

The Big Board

[illegible]

Summer EdVest Questions!

Summertime's the time for questions

The recent hot weather seems to send people to the email or phones to ask questions about 529 college savings accounts, says Jim DiUlio, program director for Wisconsin's EdVest and Tomorrow's Scholar plans. Here's a sampling of recent Q&A:

What happens if I stretch out my course work to five or six years? Is there a time limit to use the account once I start college? No. The rules say you can withdraw any amount up to the actual qualified college expenses for the current tax year, but you don't have to. Some students delay using their accounts until graduate school, or transfer the account to another family member and the balance keeps the accumulated 529 tax benefit.

A college in the Caribbean has a graduate program my child is considering. Do the expenses there qualify? To start, ask if the school has a U.S. Department of Education number, also used in the financial aid process. Many foreign institutions, along with most in this country qualify if they have this number. Also ask for their current list of qualified expenses. Commuting from Wisconsin is not likely to be included, but you may want to use some personal money to go there in January to check on things.

My daughter needs some books as part of her English class. Is it an allowable expense if she buys them online instead of the campus bookstore? If the book is a required part of the course, she can shop for a deal anywhere and then take a withdrawal to reimburse herself. It's a good idea to keep the receipts in a file.

Can I roll over money from my IRA or 401(k) plan to a 529 plan? The tax experts say no, they're different types of plans. Retirement plans defer taxes due until money is withdrawn. College savings plans, however, permit any growth in the account to be federal and state tax-free when later used for qualified expenses. Wisconsin along with 33 other states and the District of Columbia, also offer some state tax benefits for certain contributions. Read more at www.edvest.com for our state, or at the multi-state site www.collegesavings.org.

Each person's situation is different, and DiUlio reminds participants to check with financial aids or tax professionals for rules and regulations that may affect you. And keep hydrated and use sunscreen as needed.





Treasury Notes

OFFICE OF STATE TREASURER

"KEEPING AN EYE ON YOUR MONEY"

Primary Business Address
1 South Pinckney
Suite 360
Madison, WI 53703

Phone: 855-375-CASH (2274)
Fax: 608-266-2647
E-mail:
OSTSocialMedia@wisconsin.gov

We're on the Web

wismissing-money.com



WI State Treasurer
Kurt Schuller

Wisconsin Unclaimed
Property

EdVest, Wisconsin's
College Savings Plan



WITreasSchuller

WISateTreasury

EdVestWI529



[wistatetreasury.](http://wistatetreasury.wordpress.com)

wordpress.com

You Tube

TheWISateTreasury

The State Treasurer is tasked with managing more than \$400 million in Unclaimed Property and is also a Commissioner on the Board of Commissioners of Public Lands. He is also an avid promoter of Wisconsin's College Savings Plans and the Local Government Investment Pool.

Unclaimed Property: The office maintains custody and records for all property received under the uniform unclaimed property act and general escheat laws. Those with unclaimed property submit proper paperwork and examiners work to get their money back to them as quickly as possible.

Wisconsin's "529" College Savings Plan: Known as EdVest. The funds are managed by Wells Fargo Funds Management, LLC. You can open an account on behalf of a designated beneficiary and the earnings will grow state and federal tax free until the time the beneficiary is ready to continue their post-secondary education including two and four-year colleges, technical, vocational, and graduate schools. Wisconsin residents can claim up to a \$3,000 credit on state taxes per account.

The Local Government Investment Pool: This program allows local government entities to pool funds with state funds which are then invested by the State of Wisconsin Investment Board. Funds deposited in the pool are available for withdrawal on one day's notice and without penalty on interest earnings. Interest is credited to the local government accounts monthly. Average daily balance in the pool now exceeds \$3.1 billion.

For questions about "Treasury Notes", please email Ron Giordan, Communications Director at ron.giordan@wisconsin.gov or call Ron at 608-266-5757.

CONTINUED FROM PAGE 2

will fall by almost 40%. The lack of growth in population will affect the consumption of goods, growth of their economies, and the ability to support their retiring workers.

From an entrepreneurial perspective, American colleges and universities continue to attract the most foreign students. While many of these students return to their home countries, many do not. Many will remain in the U.S. to apply their skills in our economy as studies have shown that immigrants have become an increasing percentage of our nation's entrepreneurs.

Still, the United States is not only benefitting from the importing of foreign skilled labor. The U.S. is also the favored destination of overseas investment and has been for many years. The data shows this trend does not seem to be changing. Foreign direct investment has been remaining constant or decreasing in countries like Germany, Japan, France and Korea. Investors place their money where they

believe a profit can be made, and that continues to be the United States.

These positive indicators do not mean that our nation does not face obstacles. Many states face growing unfunded financial obligations (especially employee pensions) as well as addressing human and physical infrastructure issues. The federal government continues to increase the national debt with no comprehensive solution to address it. This is why economic growth is so important.

Economic growth will provide governments with the revenues they need (even with lower taxes) to address the challenges that face our society. America has the tools and the resources to return to its place as the leading economic leader in the world. We must continue to use the inherent advantages we possess to strengthen our economy.

**Do you follow our
WordPress Blog?**

[wistatetreasury.
wordpress.com](http://wistatetreasury.wordpress.com)

T-Notes is a newsletter provided to Legislators, their staff and the Media to provide them with information regarding this office and the important work the staff of Office of State Treasurer does. T-Notes is published at no cost to the taxpayers; the office does not run on taxpayer dollars.